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United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

Run FYI that needs to be sent to Mary Ann - Pam
OK

In Reply Refer To:
3483
U-5287
U-50044
UTU-73335 (Emery LMU)
(UT-924)

CERTIFIED MAIL-Return Receipt Requested

Mr. Dave Caldwell
District Land Manager
CONSOL, Inc.
P.O. Box 639
State Route 148 North
Sesser, Illinois 62884-0639

Dear Mr. Caldwell:

An application for a coal Logical Mining Unit (LMU) (designated Emery LMU), consisting of Federal coal lease U-5287 plus private and state coal lands was filed in this office February 14, 1986, and approved effective the same date. An application to modify the LMU, through addition of Federal coal lease U-50044, was filed on March 5, 1993.

The LMU met its diligent development requirement in June, 1986. Continued operation year (COY) requirements commenced July 1, 1986, and were met through June 30, 1992. Since then, the LMU production requirements have been met by the yearly payment of advance royalty. No mining has occurred on the Federal leases.

Payment of advance royalty in lieu of COY requirements is allowed for a total of 10 years[43 CFR § 3483.4 (d)]. As of June 30, 2002, advance royalty has been paid on the Emery LMU a total of 10 years. Therefore, coal must be produced in commercial quantities on the Emery LMU from between July 1, 2002 and June 30, 2003, and every COY thereafter, or the LMU will fail. The commercial quantity of coal that must be produced is 231,270 tons (1 percent of the LMU recoverable coal reserves).

If the LMU fails, Federal coal leases U-5287 and U-50044 revert to their individual lease terms and conditions, including diligent development requirements. U-5287 was required to achieve diligent development by July 1, 2000, and U-50044 was required to achieve diligent development by July 1, 1993, or be terminated pursuant to authority of law [30 U.S.C. § 207 (1988)].

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Incoming
4/15/05
Copy Ann

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DIVISION OF
OIL, GAS AND MINING

Since no mining has occurred on either Federal coal lease, without production of coal from the LMU in commercial quantities, U-5287 will terminate effective July 1, 2000, and U-50044 will terminate effective July 1, 1993.

/s/ Robert Lopez

Robert Lopez
Chief, Branch of
Minerals Adjudication

cc: Price Coal Office (Attn: George Tetreault)
MMS, MRM, Solids
Mr. Lowell Braxton, UDOGM